Regulation 39-22-517. Tax credit for child care investments.

- (1) Credit allowed for investment in tangible personal property to be used in a child care center or family care home. For tax years beginning on or after January 1, 1992, a Colorado income tax credit is allowed in an amount equal to 20% of the taxpayer's expenditure made during the income tax year for the purchase of qualifying tangible personal property to be used in the operation of a child care center or a family care home which is licensed pursuant to section 26-6-106, C.R.S.
- (2) Repealed, July 1, 1995.
- (3)(a) **Child care center.** "Child care center" means a facility, by whatever name known, which is maintained for the whole or part of a day for the care of five or more children eighteen years of age or younger and not related to the owner, operator or manager thereof, whether such facility is operated with or without compensation for such care and with or without state educational purposes.
- (3)(b) **Family care home.** "Family care home" means a facility for child care in a place of residence of a family or person for the purpose of providing less than twenty-four-hour care for children under the age of eighteen years who are not related to the head of such home.
- (3)(c) Repealed, July 1, 1995.
- (3)(d) **Qualifying tangible personal property.** For the purposes of the income tax credits allowed by this section, the term "qualifying tangible personal property" shall mean tangible personal property purchased for use in the operation of a child care center or family child care home to the extent the property qualifies as depreciable property for federal income tax purposes with a determinable life that exceeds one year and the cost of such property is allowed as a business expense deduction for federal income tax purposes either as a current expense or as a deduction for depreciation. For example, if a taxpayer purchased a van which was to be used 50% of the time for the taxpayer's personal matters, 50% of the cost of the van would be qualifying tangible personal property.
- (4) **Credit carryovers.** If the credits allowed by this section exceed the taxpayer's tax liability, such excess may be carried forward for up to three income tax years.